



**STATE OF MONTANA
DEPARTMENT OF CORRECTIONS
POLICY DIRECTIVE**

Policy No. DOC 1.2.19	Subject: FRAUD, WASTE, AND ABUSE REPORTING
Chapter 1: ADMINISTRATION AND MANAGEMENT	Page 1 of 3 and Attachment
Section 2: Fiscal Management	Effective Date: Feb. 2, 2000
Signature: /s/ Bill Slaughter, Director	Revision Dates: 03/08/01; 04/18/06

I. POLICY

The Department of Corrections employees must immediately report any suspected or actual fraud, waste, and abuse of state resources or programs.

II. APPLICABILITY

All Department divisions, facilities, and programs.

III. REFERENCES

- A. 5-13-309; *Montana Code Annotated*
- B. *DOC Policies 1.3.2, Guidelines for Employee Performance and Conduct; 3.1.28, Crime Scene and Physical Evidence Preservation*

IV. DEFINITIONS

Fraud – One or more intentional, deceptive acts that cause financial loss to other persons, the Department of Corrections, or the State of Montana.

Waste – To consume or use Department or state resources in an imprudent or wasteful manner.

Abuse – For the purpose of this policy, the improper use or destruction of a state-owned asset.

Management Team – A group of Department directors, bureau chiefs, and division and facility administrators appointed by the Department Director to provide consultation and management decisions on Department business.

Investigation and Compliance Monitoring Bureau (ICMB) – The Department bureau designated to oversee compliance monitoring and safety, emergency operations, and investigations.

V. DEPARTMENT DIRECTIVES

A. Responsibility

1. Department supervisors are responsible for the detection and prevention of fraud, waste, and abuse, misappropriation of resources, and other improper activity.
2. All Department employees must report suspected or actual fraud, waste, and abuse incidents that may involve other employees, consultants, vendors, contractors, or any other party engaged in Department business.
3. Failure to report may result in disciplinary action and criminal charges.

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B. Fraud

1. The following actions constitute fraud:
 - a. any dishonest or fraudulent act;
 - b. forgery or alteration of any Department document or account;
 - c. forgery or alteration of a check, bank draft, or any other financial document;
 - d. misappropriation of funds, supplies, or other assets;
 - e. impropriety in the handling or reporting of money or financial transactions;
 - f. disclosing confidential information to outside parties;
 - g. accepting or seeking anything of material value from contractors, vendors, or persons providing Department services or materials (*exception*: gifts less than \$50 in value);
 - h. unauthorized destruction, removal, or inappropriate use of records, furniture, fixtures, or equipment; and
 - i. any similar or related impropriety.
2. An employee's moral, ethical, or behavioral impropriety may be resolved in accordance with *DOC Policies 1.3.2, Guidelines for Employee Performance and Conduct*, and *1.3.28, Crime Scene and Physical Evidence Preservation*.

C. Annual Training

1. Management team members will receive annual fraud, waste, and abuse awareness training that includes the types of improprieties that may occur within their areas of responsibility.
2. Management team members will ensure that all employees receive annual training on fraud, waste, and abuse information and reporting procedures in accordance with this policy.
3. The Investigation and Compliance Monitoring Bureau (ICMB) will assume the primary responsibility to provide annual training in coordination with the Department Training Bureau.

D. Reporting Procedures

1. Anyone who suspects or has knowledge of dishonest or fraudulent acts may use one of the following procedures to report the activity:
 - a. call the Investigation and Compliance Monitoring Bureau at 406-444-1551;
 - b. submit a completed Fraud, Waste, and Abuse Report form (see Attachment) to the ICMB at P.O. Box 201301, Helena, MT 59620. This form is also posted on the Department web site at www.cor.state.mt.us; click on "resources" and choose "Departmental policies," or
 - c. call the State Legislative Audit Division's Fraud Hotline at 1-800-222-4446.
2. If an employee submits a fraud, waste, and abuse report, he or she may inform a supervisor; however, he or she may chose to report only to the ICMB or the Legislative Audit Division Hotline.

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3. At no time will an employee attempt to personally conduct an investigation, interview, or interrogate any person that he or she may suspect of a fraudulent act.

E. Confidentiality

1. The ICMB will treat all reports confidentially.
2. The ICMB will not disclose or discuss any investigation with anyone, except with those who have a legitimate need to know, to avoid damage to the reputations of persons suspected but subsequently found innocent of wrongful conduct, and to protect the Department from potential civil liability.

F. Investigations

1. The ICMB will assume the primary Departmental responsibility to investigate suspected fraudulent acts as defined by this policy.
2. The ICMB has the authority to examine, copy, or remove any or all contents of a file, desk, cabinet, or storage facility without the prior knowledge or consent from any individuals who may use or have custody of any such items or facilities.
3. The ICMB may refer investigations to the county attorney in whose jurisdiction the suspected fraud, waste, or abuse occurred, the Department Human Resources Bureau, or appropriate division or facility administrators.
4. In accordance with state law, if an investigation substantiates fraudulent activity, the ICMB will immediately notify both the state attorney general and the legislative auditor in writing upon the discovery of any theft, actual or suspected, involving state moneys or property.

VI. CLOSING

Questions concerning this policy should be directed to the Department Investigation and Compliance Monitoring Bureau.

VII. ATTACHMENT

Fraud, Waste, and Abuse Report Form

Fraud, Waste, and Abuse Report Form

The Department of Corrections maintains this form to facilitate the reporting of fraud, waste, and abuse. In all cases, please provide as much detail as possible concerning the **who, when, where, what, how and how much**. You do not need to provide your name; however, you are encouraged to provide it in case additional information is needed. **You may report fraud, waste, and abuse by calling the Investigation & Compliance Monitoring Bureau at 406-444-1551; by calling the Legislative Audit Division Fraud Hotline at 1-800-222-4446; or through obtaining this form on the Internet at www.cor.state.mt.us.**

Name:

Street Address:

City and State:

E-mail address:

Would you like to remain confidential?

YES

NO

Division or Facility:

Bureau or Program:

In what area did the questionable act occur?

- | | | |
|---|----------------------------------|--|
| <input type="radio"/> Contracts | <input type="radio"/> Purchasing | <input type="radio"/> Accounts Payable |
| <input type="radio"/> Offender Accounts | <input type="radio"/> Cash | <input type="radio"/> Payroll |
| <input type="radio"/> Personnel | <input type="radio"/> Other | |

Which best describes the subject of your claim?

- | | |
|---|---|
| <input type="radio"/> Department Employee | <input type="radio"/> Contract Employee |
| <input type="radio"/> Vendor | <input type="radio"/> Other |

The Nature of your claim is best represented by:

- | | |
|---|--|
| <input type="radio"/> Theft of Government Property | <input type="radio"/> Employee Fraud |
| <input type="radio"/> Contractor/Vendor Fraud | <input type="radio"/> Financial Fraud |
| <input type="radio"/> Kickbacks, Bribes, Extortion | <input type="radio"/> False Statements, Certifications etc |
| <input type="radio"/> Mismanagement/Waste by Government | <input type="radio"/> Mismanagement/Waste by Contractor |
| <input type="radio"/> Conflicts of Interest/Ethics Violations | <input type="radio"/> Other |

The following are examples of information you may be able to provide:

- Type of restrictions, rules, or regulations that relate to the situation.
- What the individual(s) did. Include anything they may have done to avoid detection.
- Names, positions, organizations involved in the activity. If possible include address and telephone numbers.
- Date(s) of misconduct or wrongdoing.

Information: (Please provide any special instructions about contacting you during the day.)
